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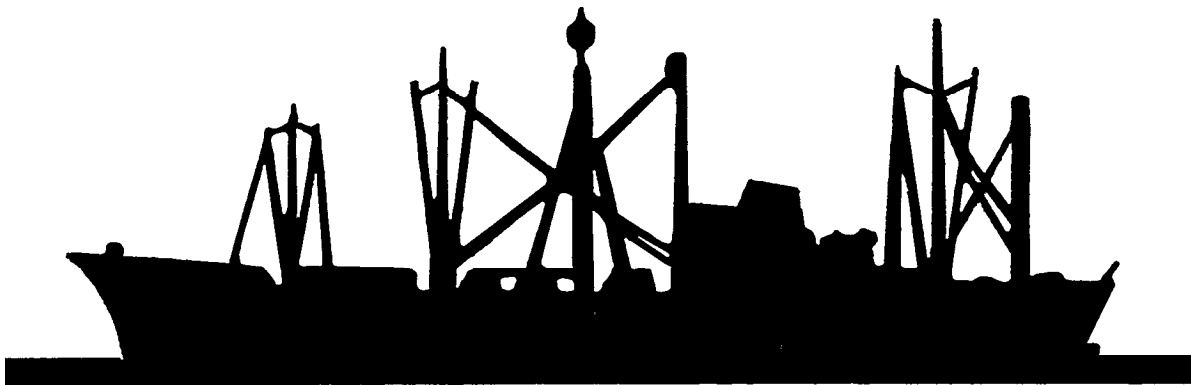
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QUALITY CIRCLES...
DOING BUSINESS BETTER AT PHILADELPHIA NAVAL SHIPYARD

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ABSTRACT

An overview of quality circle philosophy and a status report on the quality circles at the Philadelphia Naval Shipyard are given. A management presentation is given covering problem identification and techniques and accomplishments and recommendations concerning the problem "loft time at tool room window". Other accomplishments and other problems under consideration are also discussed.

A videotape presentation entitled "A Time for People Building and Management Support" which discusses quality circles, and the role of management to support programs such as quality circles will be shown. A union president from Norfolk Naval Shipyard voices his support for the quality circle program, then the film focuses on a visit of the Chief of Naval Material, Admiral Whittle, to Norfolk Naval Shipyard to see quality circles in action.

A general overview of the Naval Sea Systems Command facilities involved in quality circles is presented, and in conclusion, keys to a successful quality circle program, and proper procedures for implementation are defined.

How can we fully utilize our greatest resource...people? There is a great wealth of untapped creative intelligence available in every company. The Quality Circle philosophy recognizes that the people actually doing the work are the true experts and that they can, and want to, contribute much more than their brawn. Quality Circles unlock the brainpower of people by allowing them to participate in making heretofore management decisions to improve their quality of worklife.

The structure is simple. Employees doing similar work, who have the same first-line supervisor and who volunteer to participate, are grouped together with their supervisor as the leader. They are trained in analytical problem solving techniques and meet weekly, for one hour on company time, to identify, analyze and solve problems in their work area. The voluntary aspect of participation is vitally important in that all true learning is voluntary and, furthermore, not everyone feels a need to contribute their ideas.

A facilitator is necessary to provide adequate training, assure strict adherence to the process, arrange for technical specialists to provide needed data and information, communicate with higher management about circle activities and conversely, provide feedback to the circles. The facilitator arranges for the management presentation once a

circle has solved a problem and assists them in any way necessary to achieve their objectives. In order to properly attend to these duties, the facilitator should: be present at every circle meeting, keep accurate records of what transpired, list persons in attendance, establish the next meeting's agenda, and note any requirements prior to that meeting. It is a full time job.

Philadelphia Naval Shipyard has seven (7) quality circles presently functioning representing four (4) major departments: Planning, Production, Public Works and Supply. In August, we trained additional leaders and will soon be expanding to thirteen (13) circles. There are two facilitators and a Program Coordinator. Further expansion will precipitate training another facilitator.

Data as of 4 September 1981 reflects a \$2.40 return for every \$1.00 invested in the program. The Quality Circle "Alpha Omega", a group of machinists, significantly reduced the amount of time required to obtain tools and effected a cost savings in excess of \$170,000. More important, however, are the benefits of improved quality and safety, fewer impediments to productivity, improved communication, and better morale resulting from employee involvement and support from management by cooperating with circle members' endeavors. Employees are now coming to management with solutions to problems, not just complaints.

To exemplify Navy top management support, a videotape entitled "A Time for People Building and Management Support", was produced by the Central Video Library at Norfolk Naval Shipyard. (Norfolk Naval Shipyard was the pioneer of Quality Circles in the Navy.) The tape focuses on the visit of the Chief of Naval Material Command, the Chief of Naval Sea Systems Command and other high ranking Navy officials to that shipyard to see Quality Circles in action. The message is clear from both the Navy and the local union. The Quality Circle Program is fully supported.

The Quality Circle approach to improving productivity has rapidly grown in the last two and one-half years in both the public and private sectors. According to a 21 February 1980 article in the Wall Street Journal, there were 65 companies in America with Quality Circles, "up from only 15 a year ago!" Today, the estimate is 500 companies. The Government Accounting Office stated that, their 6 November 1980 survey indicated 200 Quality Circles were active in the Federal Government. (That figure, according to OPM, probably doubled in the nine months following the GAO survey.) Naval Material Command, with cognizance over 210 installations, conservatively estimates that forty (40) of those installations have about 250 Quality Circles meeting regularly. Organizationally under Naval Material Command, Naval Sea Systems Command has about 100 Quality Circles in all of the eight naval shipyards across the country and several of the Naval Ordnance and Naval

Weapons stations. Circles are also active in the Army, Air Force and other Department of Defense facilities. Curtis Bay Coast Guard Station in Baltimore, Maryland, sent a representative to Philadelphia Naval Shipyard for facilitator training just last month.

Quality Circles are booming, but it is not a bandwagon to jump on. A lot of hard work is necessary to be successful. Here are ten (10) important keys to success:

1. Gain the support of management and labor.
2. Organize a Steering Committee of both top management and union officials to provide credibility and act as an advisory board.
3. Both participation and support must be voluntary.
4. Circles must have the freedom to choose problems they feel are most important.
5. Select capable facilitators.
6. There must be open communication with management about circle activities.
7. The facilitator must follow-up on implementation of approved solutions.
8. Strict adherence to the Quality Circle concept and procedures is imperative.
9. Quality not quantity should be the major consideration.
10. Proceed slowly!

In order to implement Quality Circles, one must establish a sequential plan of events. It is vitally important, however, because of the voluntary nature, that your plan is not locked into scheduled milestones. Obstacles which surface can be overcome with trust, caring and time. Although each Quality Circle program (truly the Quality Circle approach is a philosophy rather than a program) has its own characteristics and needs to be tailored to each company, there are several general steps to follow for proper implementation. Provided for your consideration is the following example:

1. SELL TOP MANAGEMENT - various consultants are available for help and usually advertise in technical magazines, e.g. "Quality Progress" published by the American Society of Quality Control.
2. SOLICIT UNION SUPPORT - emphasize benefits to the employee as well as the company, A cooperative effort of labor and management can work wonders.
3. PUBLICIZE QUALITY CIRCLES - the entire workforce should be aware of what they are, how they are structured and the intentions of the company to implement circles in the near future.
4. ESTABLISH A STEERING COMMITTEE - top and middle management, union officials and, after selection, the facilitator should be its members. (This forum is used at the Philadelphia Naval Shipyard to the extent of an advisory board to the Program Coordinator is responsible for the success of the Program.)

5. SELECT A FACILITATOR - a volunteer who is truly committed to the Quality Circle philosophy and concepts and is comfortable communicating with all echelons of management, the union and the workforce. The Steering Committee can help to identify potential facilitators.
6. TRAIN THE FACILITATOR - training is available through outside consultants, the American Productivity Center and the International Association of Quality Circles.
7. MAKE PRESENTATIONS TO MIDDLE MANAGEMENT - avoid efforts to force Quality Circles into areas where they are not wanted. Following the path of least resistance, continue presentations through the chain of command and to the worker. This will assure genuine support and interest, without which circles will fail.
8. START SMALL - recognizing that the concept, process, techniques and the facilitator are new and, most likely, it is a new style of management, do not bite off more than you can chew. Three to six circles can provide for a good pilot program.
9. TRAIN LEADERS AND MEMBERS - manuals are available from consulting firms and other resources previously mentioned. Assure that an adequate number of member manuals are on hand at the time of leader training to avoid loss of continuity and enthusiasm drain.
10. EXPAND GRADUALLY - resist pressure to add a large number of new circles. Expansion requires training

more facilitators. Although dependent upon individual abilities, a good rule of thumb to follow is seven to nine circles for each facilitator.

Remember that the primary emphasis is "people-building." Look for long term effects. ..not a quick fix to your company's quality and productivity problems. Quality Circles will result in change in both the employee attitudes toward their job and the style of management throughout the company. These changes must be nurtured slowly or they will be strongly resisted.

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